



2009-2010 AWARD INFORMATION  
OFFICE OF FINANCIAL AID, PROVIDENCE COLLEGE

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Congratulations on your admission to Providence College! This brochure provides information and greater details about the types of financial aid available to our families as well as some office procedures. We strongly encourage everyone to read the information and save this document for future reference. Please do not hesitate to contact our office with any questions or concerns!

### FAMILY CONTRIBUTION (FC)

In determining aid packages, Providence College distributes financial assistance based on a number of factors, including federal policy, institutional policy and the availability of resources.

Providence College uses **Federal Methodology (FM)** required by the Higher Education Act (1965), as amended, to determine a student's eligibility for all federal financial aid programs. Using the information provided on the Free Application for Federal Student Aid (FAFSA) allows the college to distribute federal financial aid to eligible students in accordance with federal guidelines.

For institutional need-based aid, the College subscribes to a more comprehensive analysis of a family's ability to contribute known as **Institutional Methodology (IM)**. The information provided on the College Scholarship Service (CSS) Profile application allows the college to utilize a more systematic and objective measurement of a family's financial situation to determine the amount of financial assistance a family truly needs in order to successfully finance their student's education. Among the most common factors that are considered for the determination of the family contribution using IM are the inclusion of home equity and family owned business as an asset, the consideration of business and real estate losses, and the exclusion in number in college for household members in graduate school.

Using both methodologies, the Office of Financial Aid constructs award packages consisting of work, loan, grant and scholarship. Since resources are limited, and in order to give some aid to the maximum number of individuals who qualify, a family's demonstrated need may not be met in full and not all of the previously mentioned types of assistance will appear on the Financial Aid Notice. **Please understand all awards are conditional and subject to verification of the Free Application for Federal Student Aid (FAFSA), Profile application and final 2008 IRS 1040 forms (including all schedules and W2 forms). If the financial information originally provided on these applications was based on estimated data or was incorrect, adjustments may be made to the student's file, which could result in a reevaluation of aid after a deposit has been made.**

### Parental Contribution

Since the primary responsibility for the education of a student belongs to the individual and his or her parents, it is presumed that the student and the family will make the maximum effort to provide for the expenses of an undergraduate education. Should parents discontinue their support for reasons other than ability to pay, Providence College cannot assume parental responsibility for the student. Financial aid from the College or other sources should always be considered a supplement and not a substitute for parental contributions.

### SOURCES OF FINANCIAL ASSISTANCE

#### Need-Based Grants

Most institutional grant monies are awarded to undergraduate students on the basis of financial need. Grants are renewed provided the student completes a renewal FAFSA adhering to subsequent dates and deadlines, is making satisfactory academic progress toward the completion of a degree and the student's need has not diminished in the following year. An example of need-based institutional funding would be Providence College Grants.

#### Need-Based Scholarships

The College also offers scholarships to undergraduate students that are based on financial need and academic achievement during a student's high school career. Examples of these awards are the St. Joseph, Albertus Magnus, St. Vincent Ferrer and St. Martin de Porres Scholarships. Scholarships are guaranteed for four years of uninterrupted undergraduate study and renewed provided the student completes a renewal FAFSA adhering to subsequent dates and deadlines, and is making satisfactory academic progress toward the completion of a degree. Eligibility is only determined upon acceptance into the institution and scholarships are not subsequently offered to any student regardless of their academic

achievements at the College. Notifications are made to students shortly after acceptance letters are mailed out and will come from the Office of Admission.

### **Merit-Based Scholarships**

Merit awards given to undergraduate students are based upon individual academic achievement prior to coming to Providence College. Awards are determined by the Office of Admission and are renewable provided the student maintains the required Grade Point Average (GPA) as outlined in their scholarship contract. Some examples of merit-based institutional funding are the St. Dominic, St. Thomas Aquinas and St. Catherine of Siena Scholarships. Please note students not offered a merit-based scholarship at the time of acceptance are not considered for these scholarships in subsequent years even if they are invited to join the Liberal Arts Honors Program. In addition, if a student receives another source of funding that is designated solely for tuition, the merit-based award may be reduced since the total of these sources cannot exceed the tuition charge as determined on an annual basis.

### **Endowed/Donor Scholarships**

Endowed/Donor Scholarships are need-based and scholarship recipients are selected by the Office of Financial Aid. The role of the endowed/donor scholarship funds is a vital one, providing an important enhancement to the financial aid programs at Providence College. While a student may be selected as a recipient for an endowed/donor scholarship, the funds will be used to replace and not supplement the original grant awarded. No separate application is necessary in order to be considered for these special funds. All eligible students will be considered for scholarships and will be notified by the Office of Financial Aid starting in the summer and continuing throughout the academic year.

### **Providence College Family Grants**

Family Grants are available when two or more immediate family members attend the college at the same time in the undergraduate program. The tuition of the younger student(s) is reduced by \$1,000. If the younger family member is already receiving institutional money covering tuition in full then the Family Grant would be given to the older sibling provided they are not receiving a full tuition scholarship/grant from Providence College. If you feel you are eligible for this grant and it is not reflected on your award, please contact our office.

### **Federal Pell Grants, Academic Competitive Grant (ACG) and Supplemental Educational Opportunity Grant (SEOG)**

Eligibility for the Pell, SEOG and ACG grants are based on the information provided on the FAFSA. Eligibility for the Federal Pell and SEOG Grants are based on the Family Contribution (FC) as determined by the FAFSA. The amount of a student's Pell Grant will vary based on the student's final enrollment status (i.e. full-time or part-time). In addition, the ACG is available for students who complete a rigorous program of study as defined by their state.

### **Specific State Scholarships**

In the late summer months, agencies that administer state grant programs will notify the College about a student's potential eligibility. Therefore, a state grant may not appear on the first Financial Aid Notice a student receives from Providence College. Please keep in mind that even though an award letter has gone out from a specific state agency, it still does not guarantee the award amount listed. State agencies notify the student of his or her potential eligibility without knowing what other types of aid is being offered through the College or what the student's final enrollment will be (i.e. full-time vs. half-time). In addition, some states require verification of final FAFSA data from the Office of Financial Aid as well. Therefore, it is possible a student may not be eligible for the original state grant offer after the College reviews a student's eligibility.

### **Outside Scholarships**

Financial Aid Notices are generally prepared without any information regarding outside scholarships a student may receive from other sources (parent's employer, high school, etc.). If an outside scholarship was reported on the CSS Profile, this information is included in the award. When a student receives an outside scholarship, our office is required to re-evaluate the financial aid package and account for the additional resource. Keep in mind that federal regulations stipulate that an outside scholarship cannot be used to reduce your family contribution. The receipt of outside assistance may require an adjustment to the original aid offer when the additional assistance provides the student with total funds in excess of their calculated institutional need or eligibility. When it is necessary to adjust an aid offer, reductions will be applied first to federal student loans or federal work study before reducing institutional grant/scholarship assistance.

### **Federal Work Study**

Federal Work Study (FWS) is a unique component available in the federal student aid program that affords students the opportunity to earn funds throughout the academic year to support some of their educationally related expenses. Those who have been awarded FWS as part of their package are responsible for securing their own employment opportunity. Information regarding the job search process is

sent to Freshman FWS recipients and new transfers in August. Once a Freshman or new student receives instructions on how to begin the job search they can access the online system at anytime. It is important to remember that **FWS funds are not credited to the student's account nor does it guarantee a student a job.** Students are paid bi-weekly according to the hours worked and may earn up to the award amount listed on their Financial Aid Notice. Where possible, priority for employment is given to those awarded FWS.

### William D. Ford Federal Direct Stafford Loan Program

Commonly referred to as the Direct Stafford Loan Program, the U.S. Department of Education has created this program specifically for students who are attending postsecondary institutions. Providence College is responsible for determining eligibility based on the results of the FAFSA and current federal regulations. In addition, the college also collects and processes all paperwork on the government's behalf for this program.

These loans are taken out in the student's name and there is no credit check required to qualify for this program. All recipients of the Federal Direct Stafford Loan Program must complete a Master Promissory Note and Entrance Counseling before the loan can be disbursed. Exit Counseling must be completed before graduation or termination of enrollment. Loan funds will be credited to the student's bill each semester **minus the 2% origination fee.** Subsidized Direct Stafford Loans are need-based and do not accrue interest while the student is enrolled at least half-time. Interest will accrue for students borrowing unsubsidized Direct Stafford Loans which can be paid on a quarterly basis while the student is in school or opt to have the interest capitalize (added to the principal) and payable when they graduate or drop below half-time. More information will be sent to you at a later date by Providence College's Student Loan Office.

For borrowers who take out a Subsidized Direct Stafford Loan beginning with the 2009-2010 academic year, this loan will have a **fixed interest rate of 5.6%** and the Unsubsidized Direct Stafford Loans will have a **fixed interest rate of 6.8%**. There are a variety of repayment options available and information will be provided regarding these choices as graduation approaches or the student is no longer enrolled at least half-time. The annual borrowing limits for an undergraduate freshman student in 2009-2010 are listed in the chart below. Loan limits for returning students are available on our website under the Federal Student Loans section.

| Credits Completed | Undergrad Dependent |              | Undergrad Independent |              |
|-------------------|---------------------|--------------|-----------------------|--------------|
|                   | Subsidized          | Unsubsidized | Subsidized            | Unsubsidized |
| 0-28              | \$3,500             | \$2,000      | \$3,500               | \$6,000      |

### Federal Perkins Loan Program

A Perkins Loan is awarded to undergraduate students with exceptional financial need. This is a campus based loan program, with the school acting as the lender using a limited pool of funds provided by the government. Essentially, it is a subsidized loan with the interest being paid by the federal government while the student is in school. There are **no origination fees** and the **interest rate is fixed at 5%**.

### VERIFICATION

In most cases the Office of Financial Aid has used the family's estimated income information as a basis for determining the initial award for the 2009-2010 academic year. Since early evaluation information is sometimes inaccurate our office reserves the right to amend this early evaluation based on new and/or changed information regarding your family income, assets, household size, and number in college.

In order to ensure that financial aid funds are distributed on an equitable basis, and to meet U. S. Department of Education requirements, a number of student applicants are required to complete a process called "verification." Students selected to complete the verification process are required to submit documentation of the information initially provided on the student's FAFSA. Documentation includes, but is not limited to: signed copies of the student and parent **final** 2008 IRS 1040 forms, (including all schedules and W2 forms), documentation of untaxed income and statements which confirm the number of family members receiving parental support and number of family members enrolled in college. Students who are required to complete the verification process should read requests from our office very carefully and respond in a timely manner. Failure to comply with verification requirements can result in loss of all financial aid.

In addition, most freshmen who were not selected for verification but who commit to Providence College will be required to submit similar tax documentation as those students selected for verification by the U.S. Department of Education. Around the May 1<sup>st</sup> deposit deadline you will receive a formal letter outlining the specific documentation required.

### CHANGE IN CIRCUMSTANCES

If a family has experienced a change in circumstances (i.e. job loss, unexpected medical expenses) since completion of the financial aid applications, our office is willing to revisit the original need calculations and aid package taking the change in circumstances into

consideration. A separate Special Conditions Form is available on our website. From the home page [www.providence.edu](http://www.providence.edu), click on Admission, Undergraduate Financial Aid and then Forms. This form will help guide the family on how to best communicate changes in circumstance to the office as well as what documentation is needed. A final copy of the 2008 Federal tax return and W2 forms will need to be provided before we can review your appeal. Since resources are limited, we recommend any changes in circumstances be brought to our attention at the earliest possible date. However, it is likely that we will not respond to this request for additional funding until after the first week of May so **a decision will need to be made about whether to attend Providence College based on your most recent Financial Aid Notice.**

#### ANNUAL RENEWAL OF AID

Students must reapply for need-based financial assistance each year by renewing only the FAFSA. All need-based financial assistance at Providence College is renewable for all four undergraduate years provided a student adheres to subsequent dates and deadlines, remains in good academic standing and continues to demonstrate similar financial need each year. Depending upon calculated need in subsequent years, aid that is awarded may vary. The principle factors used in computing need are the same every year. These factors include such things as family income, assets, household size and number of family members in college. If the aforementioned factors remain similar from year to year, then the award a student receives in his or her first year usually provides a rough indication of the level and type of aid that can be expected to receive in subsequent years. Renewal information will be electronically distributed to the students from the Office of Financial Aid in the months leading up to the renewal deadline. The deadline for completing a renewal FAFSA in subsequent years is April 15<sup>th</sup>. **Funding will be subject to availability for those who do not comply with the published renewal deadline regardless of current need level or prior year award.**

#### OFFICE COMMUNICATION

In an effort to communicate (i.e. changes to award information, requests for additional information) to our students more efficiently, a majority of the communications students will receive from the Office of Financial Aid will be electronic! Notifications will be emailed to the student's Providence College email account. The email will either contain the communication or request that students log into their CyberFriar account to retrieve the revised information. We will not be mailing any additional paper Financial Aid Notices and/or missing information letters to the home mailing address once a student deposits at the College. Periodically throughout the year, we will send important reminders or newsletters to parents regarding the renewal process for financial aid, release of the initial award letter in subsequent years and any other important changes that impact the financial aid community and our families. Students should check their email often since we will be sending communications to them throughout the entire year. It is our hope, that students will partner with and share any and all information they receive with their parent/guardian.

#### STUDY ABROAD

Our Center for International Studies provides some students with the unique opportunity to study for a semester or two in another country. Study abroad opportunities are generally open only to juniors and seniors. It is very important to note, at this time any Providence College institutional funding (i.e. merit, grant, scholarships, donor funding) cannot be transferred to a student's study abroad programs.

#### COST OF ATTENDANCE

The Cost of Attendance that is used to determine financial aid award eligibility is comprised of both direct and indirect expenses. Direct expenses are those charges that appear on a student's account statement (bill) such as tuition, fees, room and board while indirect expenses include an allowance for books and monthly personal expenses that will not appear on the bill. The amounts we use to determine indirect expenses are estimates and are based on the amounts students typically spend in a given academic year.

Financial aid eligibility is determined by subtracting the calculated family contribution (FC), which is derived from the needs analysis results from the aforementioned applications, from the cost of attending (COA) at Providence College.

$$\text{COA} - \text{FC} = \text{Financial Aid Eligibility}$$

We have prepared a **Budget Worksheet** to assist families in estimating the amount they could be expected to pay toward direct costs either out of pocket or through one of the various programs mentioned in this brochure. This form is either enclosed or is available on our website. From the homepage [www.providence.edu](http://www.providence.edu) click on Admission, Undergraduate Financial Aid then Publications. Also, the Bursar's Office requires payment of all direct expenses on or before August 15<sup>th</sup> for the fall semester and December 15<sup>th</sup> for the spring semester unless a payment plan has been established.

*(All information is accurate at the time of printing and subject to change based on changes to institutional policy and/or federal regulations).*